



## **Tejano Center for Community**

**Request for Qualifications:** To provide Independent Auditor Services to Tejano Center for Community Concerns

**Date Issued: May 15, 2018**

**Date Due: June 1, 2018 by 4:00 PM**

**Contact:** Adriana Tamez – Interim President & CEO  
[adrinatamez@tejanocenter.org](mailto:adrinatamez@tejanocenter.org) or (713) 640-3789



**Proposals Due: June 1, 2018**

*Submissions received after 4:00 PM CST on June 1<sup>st</sup> will not be considered for review*

## **Request for Qualifications**

### **COVER SHEET**

**Request for Qualifications:** To provide Independent Auditor Services

**Note to Proposers:** *Carefully read all instructions, requirements and specifications. Fill out all forms properly and completely. Submit your proposal with all appropriate supplements and/or samples and return as instructed in Special Requirements/Instructions.*

#### **RETURN PROPOSAL TO:**

Adriana Tamez  
Interim President & CEO  
2950 Broadway Street  
Houston, Texas 77017

For additional information, contact Adriana Tamez at [adrianatamez@tejanocenter.org](mailto:adrianatamez@tejanocenter.org) or (713) 640-3789.

#### **Firm Information:**

*You must sign below in INK; failure to sign will disqualify the proposal. All prices must be typewritten or written in ink.*

Firm Name: \_\_\_\_\_

Firm Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Taxpayer Identification Number (T.I.N.): \_\_\_\_\_

Telephone No. : \_\_\_\_\_ FAX No.: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**[Your signature attests to your proposal to provide the services in this proposal according to the published provisions of this Request for Qualifications unless modifications or alterations are clearly noted in your proposal submission.]**  
REQUEST FOR QUALIFICATIONS ANNUAL FINANCIAL AUDIT

TEJANO CENTER FOR COMMUNITY CONCERNS

May 15, 2018

RFQ# 003 - 2018

Tejano Center for Community Concerns (“Tejano”) is requesting qualifications from public accounting firms to perform the annual audit for the fiscal year ending June 30, 2018.

## I. BACKGROUND INFORMATION

Auditing requirements for Texas' public school Charters are contained in the *Texas Education Agency Financial Accountability System Resource Guide*, which is the authoritative document, adopted by reference as a rule of the State Board of Education, through Title 19, Texas Administrative Code, Section 109.41.

Tejano’s Raul Yzaguirre School for Success has an enrollment cap of 1,330 students, current enrollment is in the mid-1200s, in grades Head Start through 12, on 4 campuses in Houston and Brownsville, Texas. The 2017-18 budgeted expenditures for the General, Food Service and Debt Service Funds is 12,263,016. Tejano expended federal financial assistance for several programs including but not limited to National School Lunch Program, ESEA Title I Part A - Improving Basic Skills, ESEA IDEA B - Formula, ESEA Title II Part A -Teacher and Principal Training and Recruiting, ESEA Title III - Part A LEP, and various Department of Education Grants.

Tejano’s Comprehensive Annual Financial Report for the year ended June 30, 2017 has been included with this Request for Qualifications and is set out in Attachment D.

### A. Purpose of the Audit

The purpose of the Request for Qualifications is to obtain the services of a public accounting firm for the annual audit for fiscal the year ending June 30, 2018. The organization-wide audit will encompass the financial statements as required by GASB Statement No. 34 and the *Texas Education Agency Financial Accountability System Resource Guide* for Tejano for the fiscal year ending June 30, 2018. The audit is to be performed in accordance with generally accepted auditing standards and generally accepted government auditing standards contained in the *Texas Education Agency Financial Accountability System Resource Guide*.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions in accordance with generally accepted accounting principles, and (2) whether Tejano has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit will also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) Tejano has adhered to specific financial compliance requirements.

As a part of the audit of the basic financial statements, the annual audit will also include obtaining an understanding of Tejano's internal controls and reporting any significant deficiencies or material weaknesses relating to the internal control systems coming to the attention of the auditors. To comply with Office of Management and Budget Circular A-133, a study and evaluation of internal control will include internal accounting and administrative controls for all major federal financial assistance programs, in accordance with standards for risk assessment for major federal financial assistance. Any material weakness noted during the study and evaluation of internal accounting and administrative controls and other kinds of noncompliance and questioned costs will be reported in compliance with the Single Audit Act.

As part of the audit of the financial statements, transactions and records pertaining to federal programs will be tested for material compliance with federal laws, rules, and regulations and all instances of noncompliance will be reported to Tejano.

The audit will include the performance of certain audit procedures for the purpose of reviewing the accuracy of fiscal information provided by Tejano through the Publication Information Management System (PEIMS), as required by Section 44.008(b) of the Texas Education Code.

The audit will include procedures applicable to compensatory education funds as required by Module 9 of the Financial Accountability System Resource Guide, if required.

#### B. Other Requirements

1. The accounting firm should provide an annual audit report in a form acceptable to the Texas Education Agency and within the time frame stipulated in TEC 44.008(d) of 150 days subsequent to the close of the fiscal year for which the audit was made.
2. The accounting firm shall meet with the Tejano Executive Committee at least annually, including at the November Executive Committee meeting.
3. Tejano can provide a finalized Trial Balance, partially completed financial statements and supporting schedules for auditor review at the close of

the fiscal year. Attachment B includes a listing of audit schedules that will be prepared by Tejano.

4. It is requested that the interested accounting firm include a detailed description of each step in the audit approach that will be taken in the audit engagement including estimated hours for each.
5. The accounting firm upon being awarded this engagement will be expected to review the detailed audit work plan and schedule with the head of finance prior to commencing the audit assignment each year.
6. Financial statements developed by the accounting firm must be in a form that complies with the requirements for applicable State & Federal laws and the Texas Education Agency.
7. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the accounting firm is notified in writing by Tejano of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to auditors from the Texas Education Agency, The Government Accountability Office, or other applicable governmental agencies, they are not otherwise considered to be records open to the general public.

C. Independent Auditor

The interested accounting firm must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and state board of education auditing rules. Public accounting firms that have performed annual audits for similar entities are encouraged to file a proposal.

D. Term of the Audit Engagement

The contract for audit services based upon Board of Directors approval of the proposal will be for a 1 year term for the fiscal year ending June 30, 2018. Tejano may request to extend this agreement for up to 4 additional 1-year term years through fiscal year ending June 30, 2022, following satisfactory delivery of the services specified in the proposal and engagement letter.

II. PROPOSAL ONTENT

C. Cover Letter

See conditions for submission of proposal in Section III.

B. Technical Component

To describe clearly the accounting firm's understanding of the work to be done, the interested accounting firm will:

1. Provide a definition of the term “generally accepted government auditing standards” with clear distinctions between these standards and

- generally accepted auditing standards for nongovernmental engagements;
2. Explain the interested accounting firm's approaches to performing an annual audit, including the methodology, nature, timing and extent of audit procedures to be performed;
  3. Describe how the approach to performing the audit would be affected if this were a multiyear contract; and
  4. Make a statement concerning the independence of the interested accounting firm, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of Tejano and any of the board members.

C. Management Component

The interested accounting firm will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the Request for Qualifications. To meet this requirement:

1. Provide the name of the external quality control review organization of which the interested accounting firm is a member and the interested accounting firm's length of membership. Also, state the review organization's planned frequency of peer reviews;
2. State whether the firm has received a peer review and whether in the most recent review an unqualified report was issued;
3. State whether the interested accounting firm is a national, regional or local accounting firm;
4. Provide evidence that the interested accounting firm has experience in performing school, charter, and government audits. List current and past audit clients along with the names and telephone numbers of contact persons and number of years audit services were provided.
5. State whether the interested accounting firm is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;
7. List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement. Include the educational background of all staff members named and professional licenses held;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last four years;

9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the interested accounting firm's staff members;
10. Describe staff rotation plans for audit team members if this is to be a multiyear contract;
11. Describe the level of assistance that will be expected from Tejano personnel, including internal staff; and
12. Provide evidence of the ability to comply with the requirements in Sections II and VI of the Request for Qualifications.
13. Describe any experience with auditing entities participating in the New Market Tax Credit Program.
14. A brief explanation of proposer's ability to prepare Tejano's Form 990 tax return.

D. Task/Activity Plan

The interested accounting firm will specify budgeted hours, time lines and sequence for audit procedures, and names of staff to be assigned.

E. Evaluation

Criteria used to evaluate the interested accounting firm's methodologies, products, and services are shown in Attachment A.

III. CONDITIONS FOR SUBMISSIONS OF PROPOSAL

All qualifications in response to this request must meet the following conditions to be considered:

- C. Qualifications must include a cover letter clearly stating the name of the accounting firm and the name, address, and telephone number of the interested accounting firm's representative;
- B. Qualifications must address each of the audit requirements as stated in this Request for Qualifications;
- C. Tejano reserves the right to reject any and all qualifications, and to negotiate portions thereof. Qualifications that address only part of the requirements contained in this Request for Qualifications will not be considered;
- D. Tejano reserves the right to select any proposal, considering the quoted estimated fee and other factors;
- E. The interested accounting firm shall furnish such additional information that Tejano may reasonably require;
- F. Tejano will not be liable for any cost incurred in the preparation of qualifications; and

- G. Tejano may ask interested accounting firms to send a representative for an oral interview prior to Board of Directors approval of a proposal. Tejano will not be liable for the costs incurred by the interested accounting firm in connection with such interview.
- H. Tejano and interested accounting firms may enter into discussions and revisions of proposal, as necessary. Discussions/negotiations may be conducted with interested accounting firms who are deemed to be within the final competitive range; however, Tejano reserves the right to award a contract without discussions/negotiations. The best and final proposal may be required as early as 24 hours after completion of negotiations/discussions.
- I. Qualifications must be signed by an authorized individual to contractually bind their firm when submitting the Qualifications. Failure to sign the Qualifications will be considered as a “mistake in Qualifications”, and the Qualifications will be rejected as “non-responsive”.
- J. By submitting a proposal, the interested accounting firm affirms that its company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other bidder and that the contents of this proposal as to prices, terms, or conditions have not been communicated by the undersigned or by any employee or agent to any other person or firm engaged in this type of business prior to the official opening of this proposal.
- K. Upon notification of potential selections for award, the person or entity submitting this proposal must give notice to Tejano if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in this conviction of a felony (this requirement does not apply to a publicly held corporation).
- L. In the event that any one or more of the provisions contained in this Request for Qualifications shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provisions shall not affect any other provision hereof, and this Request for Qualifications shall be construed as if the invalid, illegal or unenforceable provision(s) had never been contained herein.

#### IV. PROCEDURES FOR SUBMITTING PROPOSALS

##### A. Delivery

Responses to the Request for Qualifications should be addressed to:

Adriana Tamez  
Interim President & CEO  
Tejano Center for Community Concerns  
2950 Broadway Street  
Houston, Texas 77017  
(713) 640-3789

Qualifications must be received no later than 4:00 p.m., May 18, 2018.

Qualifications received at Tejano's office after the time and date specified above will not be considered and will be filed unopened.

Oral or telegraphic qualifications transmitted via Tejano's facsimile machine are not acceptable. Qualifications must be submitted to Tejano in a sealed envelope. **DO NOT FAX YOUR QUALIFICATIONS.**

B. Number of Copies of Qualifications

Submit five (5) copies of the qualifications. The qualifications are to be bound and sealed.

V. ASSISTANCE TO PROPOSERS

Any person wishing to obtain additional information about the Request for Qualifications or about the operations of Tejano may contact:

Adriana Tamez  
Interim President & CEO  
[adrianatamez@tejanocenter.org](mailto:adrianatamez@tejanocenter.org)  
(713) 640-3789

Tejano will send addendums to the RFQ to potential accounting firms via email. Please send an email to [adrinatamez@tejanocenter.org](mailto:adrinatamez@tejanocenter.org) containing firm contact name and email address no later than May 18, 2018.

VI. STATEMENT OF REQUIREMENTS

- C. The interested accounting firm will provide one (1) camera ready copy of the final comprehensive annual financial report that meets the requirements of Texas Education Agency Financial Accountability System Resource Guide.
- B. A preliminary draft of the audit report(s) will be presented to Tejano prior to submission of the final draft. Timing of the submission must allow Tejano personnel sufficient time to review the report.
- C. Satisfactory delivery of the services specified by the Request for Qualifications and the engagement letter shall be accomplished no later than the November meeting of the Board of Directors for the financial audit.
- D. The interested accounting firm will be required to present the audit report to the Board of Directors at the November meeting.

- E. The interested accounting firm is required to provide a management letter containing comments oriented toward constructive improvements. Copies of selected audit working papers will be provided as requested by Tejano and as provided for in the engagement letter. If a management letter is issued the auditor will provide Tejano five (5) copies and an electronic pdf.
- F. The auditor will prepare and provide one (1) copy of the Data Collection Form for Reporting on Audits of States, Local Governments and Nonprofit Organizations.

VII. PROPOSED SCHEDULE

Qualifications Timing

Qualifications due to Tejano	June 1, 2018
Approval of firm by Board of Directors	June 6, 2018

Audit Timing (subject to change)

Start field work	August 8, 2018
Start final field work	September 12, 2018
Draft financial statements and management letter due to Finance Department for review	October 31, 2018
Presentation of issued financial statements to the Board of Directors	November 14, 2018

VIII. BOARD OF DIRECTORS APPROVAL

Tejano expects to engage an accounting firm with a contract with a one (1) year term and four (4) extensions of one (1) year each. However, the Board of Directors expressly reserves the right to reject all responses to this Request for Qualifications and to review the relationship on an annual basis and to formally approve each year's extension. Tejano reserves the right to cancel any contract resulting from this Request for Qualifications at any time, for any reason (or for no reason) with a thirty (30) day written notice to the firm. The firm may cancel any resulting contract, at any time for any reason, or for no reason with a ninety (90) day written notice. Any notice required or permitted to be delivered to the firm shall be deemed to be delivered when mailed by registered or certified mail, return receipt requested, postage prepaid, and addressed to the bidder's address appearing on the face of the Request for Qualifications (or as subsequently revised or changed). Any compensation due the firm will be limited to items received and/or services performed and accepted by Tejano. It is possible that the Board could terminate the relationship at any time. However, Tejano does not desire or expect that to be the case and assumes that a long and satisfactory relationship will be the experience.

## IX. OTHER INFORMATION

- C. The accounting firm associates will be allowed to work on site after 5:00 p.m. if necessary and desirable. However, it cannot be guaranteed that Staff will be available to answer questions at those times. Arrangements should be made in advance if these after-hours periods are necessary.
- B. The Board of Directors will pass a resolution accepting the written proposal as the understood agreement for services performed and other commitments.

## X. ADDITIONAL PROVISIONS

Tejano reserves the right to:

- 1. Accept, reject, re-solicit, and/or extend the RFQ by up to two (2) additional weeks from the original submission date if only one or no Statement of Qualifications is received by the submission deadline;
- 2. Hold Statements of Qualifications for up to 90 days from the submission date without action;
- 3. Extend the original 90-holding period prior to the award if agreed upon in writing by both parties;
- 4. Request additional information or to meet with the representatives from the responding accounting firms to discuss items in the Statement of Qualifications before and after submission, any or all of which may be used in forming a recommendation;
- 5. Disregard and reject the entire Statement of Qualifications for any alternations, changes, or deletions made to this RFQ by the responding accounting firm; and
- 6. Retain all Statements of Qualifications submitted and to use any ideas in a Statement of Qualifications regardless of whether that Statement is selected.

By submitting a response to this RFQ, the accounting firm warrants the following:

- 1. The successful accounting firm warrants that it will not delegate or subcontract its responsibilities under the audit engagement without the express prior written consent of Tejano.
- 2. The successful accounting firm warrants that it will not replace or substitute key audit personnel without Tejano's knowledge and consent.
- 3. The successful firm warrants that it is willing and able to obtain the following insurance and provide insurance certificates showing Tejano as an additional insured (if allowed by law):

- a. General Liability in the amount of \$2,000,000 general aggregate; \$1,000,000 each occurrence; \$1,000,000 personal and advertised injury limit; and \$1,000,000 damage to premises limit;
  - b. Umbrella Liability in the amount of \$2,000,000;
  - c. Errors and Omissions or Professional Liability in the amount of \$2,000,000.00 each occurrence for willful or negligent acts or the omissions of any officers or employees;
  - d. Employer's Liability in the amount of \$1,000,000.00 by accident, by disease, and by disease – each employee;
  - e. Crime Insurance with extension for Tejano's property coverage in the amount of \$1,000,000;
  - f. Cyber Insurance in the amount of \$1,000,000; and
  - g. Minimum Worker's Compensation as required by Texas State Law.
4. The submission of a response to this RFQ shall be prima facie evidence that the proposing accounting firm has full knowledge of the scope, nature, quantity, and quality of the work to be performed, the detailed requirements of the specifications, and the conditions under which the work is to be performed.
  5. Respondent shall complete and submit the Conflicts of Interest Questionnaire, which is set out in Attachment C.

EVALUATION WORKSHEET

This worksheet is to be used to document Tejano's evaluation of the interested accounting firms' qualifications. Points within the ranges specified are to be assigned to the below-listed criteria as a means for quantifying the relative strengths and weaknesses of the various qualifications.

In the event that oral interviews are necessary to break a tie or for making final clarification in the evaluation process, additional points may be awarded. It should be understood that while the total score is a significant factor, the requester of the services reserves the right to consider other factors in making a final selection.

PROFESSIONAL QUALIFICATIONS

The evaluation of professional qualifications of the interested accounting firms will be based on the following criteria:

I. Mandatory Criteria

Qualifications will not be considered for further evaluation unless there is compliance with all of the following criteria. The interested accounting firm:

- A. Must be an independent auditor associated with a certified public accountancy (CPA) firm that has a valid license issued by the Texas State Board of Public Accountancy as required under Texas Education Code.
- B. Be a member of the AICPA Governmental Audit Quality Center (GAQC); adhere to the Generally Accepted Auditing Standards (GAAS) and the Generally Accepted Government Auditing Standards (GAGAS).
- C. Must adhere to the GAQC's membership requirements and collectively have knowledge, skills, and experience to be competent for the audit being conducted, including thorough knowledge of government audit requirements and Texas public school district environment; or public sector; or nonprofit sector.
- D. Must meet the independence standards of Government Auditing Standards, United States Government Accountability office (GAO).
- E. Must not have a record of substandard work.
- F. Must submit a proposal meeting all of the requirements of the Request for Qualifications.

II. Technical Criteria POINTS

Qualifications which have met each of the criteria in Section I above will be evaluated on the following criteria:

A. Technical experience of the accounting firm:

1. Auditing experience in Texas public schools (0-25)
2. Auditing experience in government entities (0-5)

B. Characteristics of the staff, including consultants to be assigned to the audit:

1. Size and structure of the accounting firm, including audit staff positions (0-5)
2. Qualifications of supervisory personnel, consultants, and the field audit team (0-5)
  - i. Education, including continuing education courses taken during the past four years
  - ii. Years and types of experience
3. General direction and supervision to be exercised over the audit team by the firm's management personnel (0-10)

C. Clear understanding of the work to be performed:

1. Comprehensiveness of the audit work plan (0-10)
2. Realistic time estimates of each major segment of the work plan, and the estimated number of hours for each staff level including consultants assigned (0-10)

IV. Oral Interviews (If Necessary) Interview Points Awarded (0-30)

Total Points  
(Maximum Points 100)

Audit Schedules That Will Be Prepared By Tejano

1. Trial Balance: Assets, Liabilities, Fund Equity, Revenues and Expenditures
2. Detail of Actual Expenditures by function and object code (and budget amounts, if applicable)
3. Revenues by Source
4. Federal and State Revenue Reconciliation Schedule
5. Federal and State Revenue Receivable Reconciliation Schedule
6. Trial Balance: Assets, Liabilities, Fund Equity and Combining Statement of Revenues, Expenditures and Changes in Fund Balance (both by function and Budget vs. Actual)
7. Schedule of Expenditure of Federal Awards

FIXED ASSETS

8. Summary of Changes
9. Depreciation Schedule
10. Summary of Construction in Progress
11. Construction in Progress

Schedule DEBT

12. Bond Payment Amortization Schedules
13. Bond Schedule for CAFR
14. Bond Schedule (Debt Service Requirements through Maturity)
15. Schedule of Leases Payable (Current Year through Total Future Payments)
16. Schedule of Debt

Outstanding

MISCELLANEOUS

17. Summary of Bank Reconciliations
18. Interbank Transfers

19. Test of Accrued Interest
20. Schedule of Prepaid Insurance
21. Inter-fund Receivables/Payables (Due To/From)
22. TRS Schedule
23. Detail of Other Sources (Uses)
24. Combined Balance - All Fund Types and Account Groups
25. Combined Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types
26. Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types
27. Budget Amendments
28. General Governmental Expenditures by Function
29. General Governmental Revenues By Source
30. Various Confirmations
31. Board Minutes - through the date of report issuance